

WHAT IF I BECOME DISABLED?

You can apply for ordinary or service-connected disability retirement. If you are incapacitated and unable to file your own application for disability benefits, the person appointed by the family court as guardian can file on your behalf.

To qualify for ordinary disability retirement,

- you must be in service or on a approved leave of absence without pay at the time an application is filed
- You must have at least 10 years of credited service excluding sick leave credit
- And the ERS Medical Board must find that you are permanently disabled due to natural causes.

To qualify for service-connected disability retirement,

- the ERS Medical Board must find that you are permanently disabled for your job due to an accident that happened while you were working that was not due to your willful negligence.
- Also, your employer must file an accident report with the Department of Labor and Industrial Relations and provide the ERS with a copy.
- An application for service-connected disability retirement must be filed within two years of the accident or the date workers' compensation benefits stop.

WHAT KIND OF BENEFITS AM I ENTITLED TO IF I BECOME DISABLED?

If you are determined to be permanently disabled due to natural causes and you have at least 10 years of credited service, you are entitled to an ordinary disability pension for life of 1¼% of your AFC or salary multiplied by your years of credited service and unreduced if you are under age 62.

Regardless of service, if you are permanently disabled as a result of a service-connected accident, you are entitled to a service connected disability pension for life calculated as specified above. The amount of this benefit, however, shall not be less than 35% of your AFC.

WHAT KIND OF BENEFIT WILL MY BENEFICIARY RECEIVE IF I DIE IN SERVICE?

If your death is due to natural causes and you have at least 10 years of service credit, your surviving spouse and your dependent children under age 18 will receive a monthly benefit. This benefit is payable to your surviving spouse until remarriage and to your dependent children until they attain age 18.

If your death is due to a job-related accident, there is no minimum service credit requirement and a monthly benefit is payable to your surviving spouse and dependent children with the same restrictions mentioned above.

Since the law specifies that only your surviving spouse and dependent children are eligible for the death benefits, you do not have to designate a beneficiary.

AM I ENTITLED TO ANY BENEFITS IF I TERMINATE MY EMPLOYMENT?

If you are credited with 10 or more years of service at the time of your termination, you are considered vested and you will be eligible for a service retirement benefit at age 65.

YOUR RETIREMENT SYSTEM

Noncontributory Plan



EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

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WHAT IS THE RETIREMENT SYSTEM?

The Employees' Retirement System (ERS) of the State of Hawaii was established in 1926 to provide retirement allowances and other benefits to State and County government employees. The general administration of the ERS is under the direction of a Board of Trustees with certain areas of administrative control with the Department of Budget and Finance.

The ERS administers a retirement and survivor benefits program for State and County government employees; collects retirement contributions from members; provides pre-retirement counseling services; conducts disability hearings and appeals; review claims for retirement, disability, and death benefits and certifies these benefits for payments; processes semi-monthly pension checks for retirees and beneficiaries; accounts for and safeguards assets in the ERS investment portfolio; and invests funds to help finance this program.

AM I REQUIRED TO BE A MEMBER OF THE ERS?

Yes. If you are a full-time, part-time (50% FTE or more), permanent or temporary (more than 3 months) employee of the State or County and your employment began after June 30, 1984, it is mandatory that you become a noncontributory member of the ERS immediately upon your employment. You are also required to contribute to the Social Security and Medicare program at a rate determined by Congress.

WHO PAYS FOR THE PLAN?

You employer pays for the entire cost of the noncontributory retirement plan. No retirement contributions are deducted from your salary.

HOW DO I EARN SERVICE CREDIT?

The length of time your work for the State or County government while a member of the ERS determines when you will be eligible for retirement also affect how much your retirement benefits will be. Service is credited on a monthly basis and if you work for 15 or more days in any calendar month, except February when you must work 14 or more days, you will receive one month of service credit.

Also, if you have 60 or more days of unused sick leave when you retire and leave government service in good standing, you will receive an additional month of service credit for every 20 days of unused sick leave. Any balance of 10 or more days will provide an additional month of service credit.

Service credit provided by unused sick leave is used to increase the amount of your retirement benefit but cannot be used to determine your eligibility for retirement.

CAN I LOSE SERVICE CREDIT?

Yes. If you terminate employment before you earn 10 years of credited service excluding sick leave credit, you will forfeit all of your service credit as you are not vested.

However, if you return to work by December 31 of the following year, all of your previous service will immediately be credited. Should you return to work after December 31 of the year following termination, you will acquire one month of your previous service for every month that you work in your current employment.

CAN I BUY ADDITIONAL SERVICE TOWARDS MY RETIREMENT?

No, but the law does permit you to acquire credit for a number of specific types of service. Generally, this is previous service rendered as an employee of the State of County that you are currently not credited with, service with an agency which has since been transferred to the State, or leaves absence with or without pay while on professional improvement or industrial inquiry. Maternity leaves prior to July 1, 1973, and active military service may also be credited, subject to certain provisions and limitations.

You must file a claim with the ERS. After ERS certifies the service, you will acquire and be credited with one month of that service for each month that you work. There is no cost involved.

WHAT ARE THE ELIGIBILITY REQUIREMENTS AND BENEFITS FOR A SERVICE RETIREMENT?

Regular Retirement:

- Age 62 with 10 or more years of credited service OR age 55 with 30 or more years of credited service

Early Retirement

- Age 55 with 20 years of credited service
- Benefits reduced by 6% for each year under age 62

Vested Retirement

- Age 65 with 10 or more years of credited service

Your benefit will consist of a pension for life based on the formula:

$1\frac{1}{4}\% \times \text{years of service} \times \text{average final compensation (AFC) or salary}$

Example:

- Member with 30 years of service and a monthly AFC of \$2,500
- $1.25\% \times 30 \text{ years} = 37.5\% \times \$2,500 = \$937.50$
- Member will receive a monthly pension of \$937.50

The actual amount of your lifetime pension depends on your AFC, your credited service when you retire and the retirement option you select. Your pension is reduced if you take an early retirement.

AFC is the average of your three highest years of earnings excluding any lump sum vacation pay if you began employment on January 1, 1971, or thereafter. If your employment began before January 1, 1971, your AFC will be the average of your three highest years or your five highest years of earnings including any lump sum vacation pay, whichever is greater.

AM I ENTITLED TO ANY OTHER BENEFITS AFTER I RETIRE?

Yes. One is the post retirement allowance, which is an automatic annual increase of 2½% of your basic pension beginning the year after your retirement on July 1 and on each July 1 thereafter. This allowance is designed to help offset the rising cost of living and it has no ceiling.

Another is the Health Fund benefits, primarily the medical, adult dental, vision, prescription and life insurance plans. Health Fund benefits are subject to change.